



Senate

General Assembly

January Session, 2009

File No. 41

Senate Bill No. 6

Senate, March 9, 2009

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING PRESCRIPTION DRUG COPAYMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-510 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2010*):

3 (a) No health insurance policy issued on an individual basis,
4 whether issued by an insurance company, a hospital service
5 corporation, a medical service corporation or a health care center,
6 [which] that provides coverage for prescription drugs [may] shall
7 require any person covered under such policy to obtain prescription
8 drugs from a mail order pharmacy as a condition of obtaining benefits
9 for such drugs.

10 (b) [The provisions of this section shall apply to any such policy
11 delivered, issued for delivery, renewed, amended or continued in this
12 state on or after July 1, 2005.] Any copayment that is required by such
13 individual health insurance policy for prescription drugs shall be the
14 same amount regardless of whether such drugs are obtained through a

15 retail pharmacy or a mail order pharmacy.

16 Sec. 2. Section 38a-544 of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective January 1, 2010*):

18 (a) No medical benefits contract on a group basis, whether issued by
19 an insurance company, a hospital service corporation, a medical
20 service corporation or a health care center, [which] that provides
21 coverage for prescription drugs [may] shall require any person
22 covered under such contract to obtain prescription drugs from a mail
23 order pharmacy as a condition of obtaining benefits for such drugs.

24 (b) [The provisions of this section shall apply to any such medical
25 benefits contract delivered, issued for delivery or renewed in this state
26 on or after July 1, 1989.] Any copayment that is required by such group
27 medical benefits contract for prescription drugs shall be the same
28 amount regardless of whether such drugs are obtained through a retail
29 pharmacy or a mail order pharmacy.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2010</i>	38a-510
Sec. 2	<i>January 1, 2010</i>	38a-544

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

This bill results in no fiscal impact to the state because the current state employee health plan and pharmacy benefit manager permit plan members to fill a 90-day prescription at either their local retail pharmacy or by mail for the same copayment.

The bill's provisions may increase costs to certain fully insured municipal plans which offer discounted copayments for prescriptions filled through the mail order pharmacy in comparison to the local retail pharmacy. The Municipal Employees Health Insurance Plan, (MEHIP) administered by the State Comptroller, is one example of a health plan which currently differentiates between prescription vendors, offering a 3-month mail-order supply for a reduced copayment 50 percent less than a retail pharmacy. In cases where plan sponsors are able to secure more favorable pricing for prescriptions dispensed by mail rather than through retail, this mandate would prohibit plans from offering lower copayments to incentivize greater participant utilization of the lower cost option. Under current law, plan members cannot be required to obtain their prescription drugs from a mail order pharmacy as a condition of the benefit.

The coverage requirements of the bill may result in increased premium costs when municipalities enter into new health insurance contracts if those plans are unable to control pharmacy costs by obtaining favorable pricing of prescriptions. It should be noted that employers currently are not required to provide a pharmacy benefit as part of their health coverage plan. Due to federal law, municipalities with self-insured health plans are exempt from state health insurance benefit mandates.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Office of the State Comptroller, Municipal Employees Health Insurance Plan (MEHIP) Schedule of Benefits, Public Hearing Testimony (2/3/09), State Employee Health Plan Subscriber Agreement.

OLR Bill Analysis**SB 6*****AN ACT CONCERNING PRESCRIPTION DRUG COPAYMENTS.*****SUMMARY:**

This bill prohibits individual health insurance policies and group medical contracts covering prescription drugs from imposing different copays for prescriptions based on where the prescription is filled (i.e., a retail or mail order pharmacy).

By law, such policies and contracts cannot require a person to obtain prescription drugs from a mail order pharmacy as a condition of obtaining drug benefits. The law applies to policies and contracts that insurers, hospital or medical service corporations, or HMOs issue.

The bill also makes technical changes.

EFFECTIVE DATE: January 1, 2010

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 12 Nay 7 (02/19/2009)